

RECAP: PRELIMINARY RECOMMENDATIONS TO DATE

A summary of preliminary Task Force recommendations and discussions through December 2021

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman was commissioned by the California Department of Insurance (CDI) to provide support associated with assessing the feasibility of developing and implementing a culturally competent statewide insurance program for long-term care services and supports. The primary audience for this report includes stakeholders from the California Department of Insurance, members of the Long-Term Care Insurance Task Force, and members of the general public within the state of California.

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KEY PRELIMINARY RECOMMENDATIONS AS OF TASK FORCE MEETING #4

Preliminary recommendations are subject to change

Front-end coverage

- Benefits payable at or near the beginning of an individual’s eligibility for LTSS

Preference is for a targeted and/or vested program

- “Targeted” refers to specific population(s) and/or specific service(s) that will be covered by the program
- “Vested” refers to specified eligibility requirement(s) that must be met before benefits are paid
- Specific target(s) and/or vesting requirement(s) yet to be determined

Social insurance is preferred to public assistance

- Social Security is a prominent example of a social insurance program
- Medicaid is a prominent example of a public assistance program
- Task Force Members discussed potentially blending social insurance and public assistance

Consider LTSS program in Germany, Washington state, and France for reference

- Germany – vested, comprehensive social insurance program
- Washington state – vested, front-end social insurance program
- France – hybrid program that blends universal comprehensive coverage and family responsibility with small social insurance component

Preference is for private long-term care (LTC) insurance to pay before statewide LTC insurance program

- With concurrent but non-duplicative payments permitted
- Consider whether it is appropriate to allow different interaction for private LTC insurance sold *after* (vs. before) program implementation (e.g., permit supplemental LTC coverage sold after program launch to pay secondary to state benefits)

Statewide LTC insurance should not factor into Medi-Cal eligibility

**PROGRAM
STRUCTURE AND
DESIGN**

**PROGRAM
COORDINATION
AND INTERACTION**

PRELIMINARY DISCUSSION FROM TASK FORCE MEETING #5

At our last meeting, several Task Force Members shared their views on program eligibility, enrollment, and administration as recapped below

Program should help as many Californians as possible

- Program may need to start off small to facilitate government buy-in and implementation of the program
- Diversity, inclusiveness, and equity should be core principles of the program

Consider benefit eligibility criteria that is based on Activities of Daily Living (ADLs)

- There should also be broader focus on other cognitive impairments
- Align benefit eligibility criteria with other programs for easier coordination

Include some level of portability

- People that pay in but leave California should still get benefits

Be cognizant of the fairness of potential opt-out provisions

- Some considerations discussed included long-term viability of the program, potential anti-selection, and equitable treatment for individuals that purchased private insurance to cover future LTSS needs

Avoid re-inventing the wheel in terms of program administration

- Learn from processes in place for California State Disability Insurance Program payroll tax collection
- Consider leveraging administration infrastructure and/or marketing strategies from private LTC insurance market

Be mindful of the risk of administrative complexity

- Consider how many entities will be responsible for program administration
 - Oversight is important when multiple parties are involved in administration
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**PROGRAM
ELIGIBILITY AND
ENROLLMENT**

**PROGRAM
ADMINISTRATION**

Task Force Members will be asked to make a preliminary recommendation on these topics (and more) following today's Task Force meeting (#6)



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